

WISEMAN & BURKE, INC.

206 S. BRAND BLVD.
GLENDALE, CA 91204
(818) 247-1007

Client 1634
June 23, 1997

Kathleen M. Gold
11054 Ventura Blvd Apt.203
Studio City, CA 91604

FEDERAL FORMS

Form 1040	1996 U.S. Individual Income Tax Return
Form 1040-ES	Estimated Tax Payment Vouchers
Form 1040-V	Payment Voucher
Schedule C	Profit or Loss From Business
Schedule E p2	Supplemental Income and Loss
Schedule SE	Self-Employment Tax
Form 4562	Depreciation and Amortization
Form 4868	Application for Automatic Extension
	Vehicle Expense Worksheets
	Depreciation Schedules

CALIFORNIA FORMS

Form 540	1996 California Resident Income Tax Return
	California Depreciation Schedules

Preparation Fee	\$	465.00
COMPUTER CHARGE		35.00
Amount Due	\$	500.00

PLEASE MAKE CHECKS PAYABLE TO
"WISEMAN AND BURKE BOOKKEEPING SERVICES"

CLIENT ENTER

WISEMAN & BURKE, INC.
206 S. BRAND BLVD.
GLENDALE, CA 91204
(818) 247-1007

September 25, 1997

ENTERTAIN US
11054 VENTURA BLVD. #203
STUDIO CITY, CA 91604

Dear Client:

Enclosed is your 1996 Federal Partnership Return of Income. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the Federal return on or before April 15, 1997 to:

INTERNAL REVENUE SERVICE
FRESNO, CA 93888-0011

Enclosed is your 1996 California Partnership Return of Income. The original should be signed at the bottom of page two. No tax is payable with the filing of this return. Mail the California return on or before April 15, 1997 to:

FRANCHISE TAX BOARD
P.O. BOX 942857
SACRAMENTO, CA 94257-0600

You must distribute a copy of the 1996 Schedule K-1 to each partner, if applicable. Be sure to give each partner a copy of the Partners Instructions for Schedule K-1. Please call us if you have any questions.

Sincerely,

DAVID P. THELIN

ENTERTAIN US

TRADE OR BUSINESS INCOME	
TOTAL INCOME (LOSS)	0
TRADE OR BUSINESS DEDUCTIONS	
OTHER DEDUCTIONS	203
TOTAL DEDUCTIONS	203
SCHEDULE K - INCOME	
ORDINARY INCOME (LOSS)	-203
SCHEDULE K - SELF-EMPLOYMENT	
NET EARN. (LOSS) FROM SELF-EMPLOYMENT	-203
SCHEDULE L - BALANCE SHEET	
BEGINNING ASSETS	0
BEGINNING LIABILITIES AND CAPITAL	0
ENDING ASSETS	197
ENDING LIABILITIES AND CAPITAL	197

ENTERTAIN US

ENDING ASSETS

CASH 197

TOTAL ASSETS 197

ENDING LIABILITIES & CAPITAL

PARTNER'S CAPITAL ACCOUNTS 197

TOTAL LIABILITIES AND CAPITAL. 197

ENTERTAIN US

TRADE OR BUSINESS INCOME	
TOTAL INCOME (LOSS)	0
TRADE OR BUSINESS DEDUCTIONS	
OTHER DEDUCTIONS	203
TOTAL DEDUCTIONS	203
SCHEDULE K - INCOME	
ORDINARY INCOME (LOSS)	-203
SCHEDULE L - BALANCE SHEET	
BEGINNING ASSETS	0
BEGINNING LIABILITIES AND CAPITAL	0
ENDING ASSETS	197
ENDING LIABILITIES AND CAPITAL	197

1996

DIAGNOSTICS

PAGE 1

ENTERTAIN US

FORMS NEEDED FOR THIS RETURN

FEDERAL: 1065, K-1, STATEMENTS

CALIFORNIA: 565, K-1 (565), STATEMENTS

ENTERTAIN US

PARTNERS' ALLOCATION PERCENTAGES

Partner Number	Partner Name	Partner Identification Number	Partner Percentage of Profit Sharing	Partner Percentage of Loss Sharing	Partner Percentage of Ownership of Capital
1	KATHY GOLD		33.340000	33.340000	33.340000
2	JAMES HIGHTOWER		33.330000	33.330000	33.330000
3	JULIE SNYDER		33.330000	33.330000	33.330000
	TOTAL		100.000000	100.000000	100.000000
			=====	=====	=====

ENTERTAIN US

NET EARNINGS (LOSS) FROM SELF-EMPLOYMENT CALCULATION

Partner Number	General, Limited, or Member	Entity Type	Ordinary Income or (Loss)	Other Rental Income or (Loss)	Adjustments: 1. Plus Certain Rental RE Income 2. Plus Passthrough SE Income (Loss) 3. Less Passthrough Ord. Income (Loss) 4. Less 4797 Gain or (Loss)	Guaranteed Payments to Partners	Manual Self-Employment Adjustment	Net Earnings (Loss) From Self-Employment Sch. K-1 Line 15a
1	GEN	IND	-67					-67
2	GEN	IND	-68					-68
3	GEN	IND	-68					-68
TOTAL			-203					-203
			=====	=====	=====	=====	=====	=====

U. S. Partnership Return of Income

OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

For calendar year 1996, or tax year beginning _____, 1996, and ending _____, 19 ____.

▶ See separate instructions.

1996

A Principal business activity

COMPUTER

B Principal product or service

CONSULTING

C Business code number

8999

Use the
IRS
label.
Other-
wise,
please
print
or type.ENTERTAIN US
11054 VENTURA BLVD. #203
STUDIO CITY, CA 91604

D Employer identification number

E Date business started

9/26/96

F Total assets
(see page 10 of the instructions)

\$ 197

G Check applicable boxes: (1) ☒ Initial return (2) ☒ Final return (3) ☐ Change in address(4) ☐ Amended returnH Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year. . . . ▶ 3

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

		1a	1b	1c
INCOME	1a Gross receipts or sales			
	b Less returns and allowances			
	2 Cost of goods sold (Schedule A, line 8)			2
	3 Gross profit. Subtract line 2 from line 1c.			3
	4 Ordinary income (loss) from other partnerships, estates and trusts (attach schedule)			4
	5 Net farm profit (loss) (attach Schedule F (Form 1040)).			5
	6 Net gain (loss) from Form 4797, Part II, line 20.			6
	7 Other income (loss) (attach schedule)			7
8 Total income (loss). Combine lines 3 through 7			8	
DEDUCTIONS FOR LIMITATIONS	9 Salaries and wages (other than to partners) (less employment credits)			9
	10 Guaranteed payments to partners			10
	11 Repairs and maintenance			11
	12 Bad debts			12
	13 Rent			13
	14 Taxes and licenses			14
	15 Interest			15
	16a Depreciation (if required, attach Form 4562)	16a		
	b Less depreciation reported on Schedule A and elsewhere on return.	16b		16c
	17 Depletion (Do not deduct oil and gas depletion.)			17
	18 Retirement plans, etc.			18
	19 Employee benefit programs			19
	20 Other deductions (attach schedule)	SEE STATEMENT .1.		203
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20.			203	
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8.			-203	

Please
Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member

Date

Paid
Preparer's
Use OnlyPreparer's
Signature

DAVID P. THELIN

Date

Check if
self-employed ☐

Preparer's social security no.

Firm's name (or
yours if self-employed)
and address

WISEMAN & BURKE, INC.

206 S. BRAND BLVD.

GLENDALE, CA

EIN ▶

ZIP code

▶ 91204

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form 1065 (1996)

Schedule A Cost of Goods Sold (see page 13 of the instructions)

1	Inventory at beginning of year	1		
2	Purchases less cost of items withdrawn for personal use	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5.	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8		

9a Check all methods used for valuing closing inventory:

(I) ☐ Cost as described in Regulations section 1.471-3

(II) ☐ Lower of cost or market as described in Regulations section 1.471-4

(III) ☐ Other (specify method used and attach explanation) ▶

b Check this box there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)..... ▶ ☐

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory?..... ☐ Yes ☐ No

If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the appropriate box:		
a <input checked="" type="checkbox"/> General partnership		
b <input type="checkbox"/> Limited partnership		
c <input type="checkbox"/> Limited liability company		
d <input type="checkbox"/> Other (see page 14 of the instructions) ▶		
2 Are any partners in this partnership also partnerships?		X
3 Is this partnership a partner in another partnership?		X
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below.		X
5 Does this partnership meet ALL THREE of the following requirements?		
a The partnership's total receipts for the tax year were less than \$250,000;		
b The partnership's total assets at the end of the tax year were less than \$600,000; AND		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1		X
6 Does this partnership have any foreign partners?		X
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 Has this partnership filed, or is it required to file, Form 8264 , Application for Registration of a Tax Shelter?		X
9 At any time during calendar year 1996, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 14 of the instructions for exceptions and filing requirements for Form TD 90-22.1.) If "Yes," enter the name of the foreign country. ▶		X
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 14 of the instructions for other forms the partnership may have to file		X
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 5 of the instructions		X

Designation of Tax Matters Partner (see page 15 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	▶ KATHY GOLD	Identifying number of TMP	▶
Address of designated TMP	▶ 11054 VENTURA BLVD. #203 STUDIO CITY, CA 91604		

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

(a) Distributive share items				(b) Total amount			
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)		1	-203		
	2	Net income (loss) from rental real estate activities (attach Form 8825)		2			
	3a	Gross income from other rental activities	3a				
	b	Exp. from other rental activities	3b				
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a		3c			
	4a	Portfolio income (loss): a Interest income		4a			
	b	Dividend income		4b			
	c	Royalty income		4c			
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))		4d			
	e	Net long-term capital gain (loss) (attach Schedule D (Form 1065))		4e			
Deductions	f	Other portfolio income (loss) (attach schedule)		4f			
	5	Guaranteed payments to partners		5			
	6	Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)		6			
	7	Other income (loss) (attach schedule)		7			
Investment Interest	8	Charitable contributions (attach schedule)		8			
	9	Section 179 expense deduction (attach Form 4562)		9			
	10	Deductions related to portfolio income (itemize)		10			
Credits	11	Other deductions (attach schedule)		11			
	12a	Interest expense on investment debts		12a			
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above		12b(1)			
		(2) Investment expenses included on line 10 above		12b(2)			
	13a	Low-income housing credit:					
		(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990		13a(1)			
		(2) Other than on line 13a(1) for property placed in service before 1990		13a(2)			
		(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989		13a(3)			
		(4) Other than on line 13a(3) for property placed in service after 1989		13a(4)			
	b	Qual. rehabilitation expenditures related to rental real estate activities		13b			
Self-Employment	c	Credits (other than credits on lines 13a & 13b) related to rental real estate activities		13c			
	d	Credits related to other rental activities		13d			
	14	Other credits		14			
	15a	Net earnings (loss) from self-employment		15a	-203		
	b	Gross farming or fishing income		15b			
	c	Gross nonfarm income		15c			
	Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986		16a		
		b	Adjusted gain or loss		16b		
		c	Depletion (other than oil and gas)		16c		
		d	(1) Gross income from oil, gas, and geothermal properties		16d(1)		
		(2) Deductions allocable to oil, gas, and geothermal properties		16d(2)			
Foreign Taxes	e	Other adjustments and tax preference items (attach schedule)		16e			
	17a	Type of income ▶	b Foreign country or U.S. possession ▶				
	c	Total gross income from sources outside the U.S. (attach schedule)		17c			
	d	Total applicable deductions and losses (attach schedule)		17d			
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		17e			
	f	Reduction in taxes available for credit (attach schedule)		17f			
	g	Other foreign tax information (attach schedule)		17g			
Other	18	Section 59(e)(2) expenditures: a Type ▶		b Amount ▶	18b		
	19	Tax-exempt interest income		19			
	20	Other tax-exempt income		20			
	21	Nondeductible expenses		21			
	22	Distributions of money (cash and marketable securities)		22			
	23	Distributions of property other than money		23			
	24	Other items & amounts required to be rptd. separately to partners					
	Analysis	25a	Income (loss). Combine lines 1 through 7 in column (b). From the result, subtract the sum of lines 8 through 12a, 17e, and 18b		25a	-203	
b		Analysis by type of partner:	(a) Corporate	(b) Individual	(c) Partnership	(d) Exempt organization	(e) Nominee/Other
				I. Active	II. Passive		
(1)		General partners		-203			
(2)		Limited partners					

Note: If Question 5 of Schedule B is answered "Yes," the partnership is not required to complete Schedules L, M-1, M-2.

Schedule L Balance Sheets

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash				197
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets				197
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts				197
22 Total liabilities and capital				197

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

(see page 23 of the instructions)

1 Net income (loss) per books	-203	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 12a, 17e, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 12a, 17e, and 18b (itemize):		a Depreciation \$	
a Depreciation \$		b Travel and entertainment \$	
b Travel and entertainment \$		8 Add lines 6 and 7	
5 Add lines 1 through 4	-203	9 Income (loss) (Schedule K, line 25a). Subtract line 8 from line 5	-203

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	0	6 Distributions: a Cash	
2 Capital contributed during year	400	b Property	
3 Net income (loss) per books	-203	7 Other decreases (itemize):	
4 Other increases (itemize):		8 Add lines 6 and 7	
5 Add lines 1 through 4	197	9 Balance at end of year. Subtract line 8 from line 5	197

SCHEDULE K-1

(Form 1065)

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

OMB No. 1545-0099

1996

For calendar year 1996 or tax year beginning

, 1996, and ending

, 19

Partner's identifying number ▶

Partnership's identifying number ▶

Partner's name, address, and ZIP code

Partnership's name, address, and ZIP code

KATHY GOLD

ENTERTAIN US

11054 VENTURA BLVD. #203

11054 VENTURA BLVD. #203

STUDIO CITY, CA 91604

STUDIO CITY, CA 91604

A This partner is a ☒ general partner ☐ limited partner
☐ limited liability company member

B What type of entity is this partner? ▶ INDIVIDUAL

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's percentage of: (i) Before change or termination (ii) End of year

Profit sharing	33.34%	33.34%
Loss sharing	33.34%	33.34%
Ownership of capital	33.34%	33.34%

E IRS Center where partnership filed return: FRESNO

F Partner's share of liabilities (see instructions):

Nonrecourse \$

Qualified nonrecourse financing \$

Other \$

G Tax shelter registration number. . . ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☒ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
0	400	-67	()	333

(a) Distributive share item			(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities.	1	-67	} See pages 5 and 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			
	a Interest.	4a		} Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) Enter on applicable line of your return.
	b Dividends.	4b		
	c Royalties.	4c		
	d Net short-term capital gain (loss)	4d		
	e Net long-term capital gain (loss)	4e		
	f Other portfolio income (loss) (attach schedule)	4f		
	5 Guaranteed payments to partner	5		} See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6 Net gain (loss) under section 1231 (other than due to casualty or theft)	6		
	7 Other income (loss) (attach schedule)	7		Enter on applicable line of your return.
Deductions	8 Charitable contributions (see instructions)	8		} Sch. A, line 15 or 16
	9 Section 179 expense deduction	9		
	10 Deductions related to portfolio income	10		} See page 7 of Partner's Instructions for Schedule K-1 (Form 1065).
	11 Other deductions (attach schedule)	11		
Investment Interest	12 a Interest expense on investment debts	12a		} Form 4952, line 1 See page 7 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)		
	(2) Investment expenses included on line 10 above	b(2)		
Credits	13 a Low-income housing credit:			} Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990.	a(1)		
	(2) Other than on line 13a(1) for property placed in service before 1990	a(2)		
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)		
	(4) Other than on line 13a(3) for property placed in service after 1989	a(4)		} See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Qualified rehabilitation expenditures related to rental real estate activities	13b		
	c Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities.	13c		
	d Credits related to other rental activities.	13d		
	14 Other credits	14		

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 1996

KFA

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
SELF-EMPLOYMENT	15a	Net earnings (loss) from self-employment	-67	Sch. SE, Section A or B See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	15b	Gross farming or fishing income		
	15c	Gross nonfarm income		
ADJUSTMENTS	16a	Depreciation adjustment on property placed in service after 1986		See pages 8 and 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	16b	Adjusted gain or loss		
	16c	Depletion (other than oil and gas)		
	d(1)	Gross income from oil, gas, and geothermal properties		
	d(2)	Deductions allocable to oil, gas, and geothermal properties		
	16e	Other adjustments and tax preference items		
FOREIGN TAXES	17a	Type of income		Form 1116, check boxes
	17b	Name of foreign country or U.S. possession		Form 1116, Part I
	17c	Total gross income from sources outside the U.S.		
	17d	Total applicable deductions and losses (attach sch.)		Form 1116, Part II
	17e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		
	17f	Reduction in taxes available for credit (att. schedule)		Form 1116, Part III
	17g	Other foreign tax information (attach schedule)		See Instructions for Form 1116.
OTHER	18	Section 59(e)(2) expenditures: a Type		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). Form 1040, line 8b
	18b	Amount		
	19	Tax-exempt interest income		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	20	Other tax-exempt income		
	21	Nondeductible expenses		
	22	Distributions of money (cash and marketable securities)		
	23	Distributions of property other than money		Form 8611, line 8
	24	Recapture of low-income housing credit:		
24a	From section 42(j)(5) partnerships			
	24b	Other than on line 24a		

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

PARTNER 1: KATHY GOLD

SCHEDULE K-1

(Form 1065)

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

► See separate instructions.

OMB No. 1545-0099

1996

For calendar year 1996 or tax year beginning , 1996, and ending , 19

Partner's identifying number XXXXXXXXXX	Partnership's identifying number XXXXXXXXXX
Partner's name, address, and ZIP code JAMES HIGHTOWER 11054 VENTURA BLVD. #203 STUDIO CITY, CA 91604	Partnership's name, address, and ZIP code ENTERTAIN US 11054 VENTURA BLVD. #203 STUDIO CITY, CA 91604

A This partner is a <input checked="" type="checkbox"/> general partner <input type="checkbox"/> limited partner <input type="checkbox"/> limited liability company member B What type of entity is this partner? ► <u>INDIVIDUAL</u> C Is this partner a <input checked="" type="checkbox"/> domestic or a <input type="checkbox"/> foreign partner? D Enter partner's percentage of: <table style="width:100%"> <tr> <th></th> <th>(i) Before change or termination</th> <th>(ii) End of year</th> </tr> <tr> <td>Profit sharing</td> <td>33.33%</td> <td>33.33%</td> </tr> <tr> <td>Loss sharing</td> <td>33.33%</td> <td>33.33%</td> </tr> <tr> <td>Ownership of capital</td> <td>33.33%</td> <td>33.33%</td> </tr> </table>		(i) Before change or termination	(ii) End of year	Profit sharing	33.33%	33.33%	Loss sharing	33.33%	33.33%	Ownership of capital	33.33%	33.33%	F Partner's share of liabilities (see instructions): Nonrecourse \$ _____ Qualified nonrecourse financing \$ _____ Other \$ _____ G Tax shelter registration number. ► _____ H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) <input type="checkbox"/> I Check applicable boxes: (1) <input checked="" type="checkbox"/> Final K-1 (2) <input type="checkbox"/> Amended K-1
	(i) Before change or termination	(ii) End of year											
Profit sharing	33.33%	33.33%											
Loss sharing	33.33%	33.33%											
Ownership of capital	33.33%	33.33%											

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
0		-68	()	-68

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 -68	} See pages 5 and 6 of Partner's Instructions for Schedule K-1 (Form 1065). Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) Enter on applicable line of your return.
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	
	b Dividends	4b	
	c Royalties	4c	
Deductions	d Net short-term capital gain (loss)	4d	} See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.
	e Net long-term capital gain (loss)	4e	
	f Other portfolio income (loss) (attach schedule)	4f	
	5 Guaranteed payments to partner	5	
	6 Net gain (loss) under section 1231 (other than due to casualty or theft)	6	
	7 Other income (loss) (attach schedule)	7	
	8 Charitable contributions (see instructions)	8	} See page 7 of Partner's Instructions for Schedule K-1 (Form 1065). Sch. A, line 15 or 16
Investment Interest	9 Section 179 expense deduction	9	
	10 Deductions related to portfolio income	10	
	11 Other deductions (attach schedule)	11	
Credits	12 a Interest expense on investment debts	12a	} Form 4952, line 1 } See page 7 of Partner's Instructions for Schedule K-1 (Form 1065). } Form 8586, line 5 } See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	
	(2) Investment expenses included on line 10 above	b(2)	
	13 a Low-income housing credit:		
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)	
	(2) Other than on line 13a(1) for property placed in service before 1990	a(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)	
	(4) Other than on line 13a(3) for property placed in service after 1989	a(4)	
Other	b Qualified rehabilitation expenditures related to rental real estate activities	13b	
	c Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities	13c	
	d Credits related to other rental activities	13d	
	14 Other credits	14	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 1996

KFA

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
E M P L O Y E E N T R Y	15a Net earnings (loss) from self-employment	15a -68	Sch. SE, Section A or B See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	
A D J U S T M E N T S	16a Depreciation adjustment on property placed in service after 1986	16a	See pages 8 and 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
e Other adjustments and tax preference items	16e		
F O R E I G N T A X E S	17a Type of income ▶		Form 1116, check boxes
	b Name of foreign country or U.S. possession ▶		Form 1116, Part I
	c Total gross income from sources outside the U.S.	17c	
	d Total applicable deductions and losses (attach sch.)	17d	Form 1116, Part II Form 1116, Part III
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	
	f Reduction in taxes available for credit (att. schedule)	17f	
	g Other foreign tax information (attach schedule)	17g	See Instructions for Form 1116.
O T H E R	18 Section 59(e)(2) expenditures: a Type ▶		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount.	18b	
	19 Tax-exempt interest income	19	Form 1040, line 8b
	20 Other tax-exempt income	20	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	21 Nondeductible expenses	21	
	22 Distributions of money (cash and marketable securities)	22	
	23 Distributions of property other than money	23	Form 8611, line 8
	24 Recapture of low-income housing credit:		
	a From section 42(j)(5) partnerships	24a	
b Other than on line 24a	24b		
25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):			

PARTNER 2: JAMES HIGHTOWER

SCHEDULE K-1

(Form 1065)

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

OMB No. 1545-0099

1996

For calendar year 1996 or tax year beginning

, 1996, and ending

, 19

Partner's identifying number ▶

Partnership's identifying number ▶

Partner's name, address, and ZIP code

JULIE SNYDER
11054 VENTURA BLVD. #203
STUDIO CITY, CA 91604

Partnership's name, address, and ZIP code

ENTERTAIN US
11054 VENTURA BLVD. #203
STUDIO CITY, CA 91604A This partner is a ☒ general partner ☐ limited partner
☐ limited liability company member

B What type of entity is this partner? ▶ INDIVIDUAL

C Is this partner a ☒ domestic or a ☐ foreign partner?D Enter partner's percentage of: (i) Before change or termination (ii) End of year
Profit sharing 33.33% 33.33%
Loss sharing 33.33% 33.33%
Ownership of capital 33.33% 33.33%

E IRS Center where partnership filed return: FRESNO

F Partner's share of liabilities (see instructions):

Nonrecourse \$

Qualified nonrecourse financing \$

Other \$

G Tax shelter registration number. . . . ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐I Check applicable boxes: (1) ☒ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
0		-68	()	-68

(a) Distributive share item			(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	-68	} See pages 5 and 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			} Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) Enter on applicable line of your return.
	a Interest	4a		
	b Dividends	4b		
	c Royalties	4c		
	d Net short-term capital gain (loss)	4d		
	e Net long-term capital gain (loss)	4e		
	f Other portfolio income (loss) (attach schedule)	4f		} See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	5 Guaranteed payments to partner	5		
	6 Net gain (loss) under section 1231 (other than due to casualty or theft)	6		} Enter on applicable line of your return.
	7 Other income (loss) (attach schedule)	7		
Deductions	8 Charitable contributions (see instructions)	8		} Sch. A, line 15 or 16
	9 Section 179 expense deduction	9		
	10 Deductions related to portfolio income	10		} See page 7 of Partner's Instructions for Schedule K-1 (Form 1065).
	11 Other deductions (attach schedule)	11		
Investment Interest	12 a Interest expense on investment debts	12a		} Form 4952, line 1 See page 7 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)		
	(2) Investment expenses included on line 10 above	b(2)		
Credits	13 a Low-income housing credit:			} Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)		
	(2) Other than on line 13a(1) for property placed in service before 1990	a(2)		
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)		
	(4) Other than on line 13a(3) for property placed in service after 1989	a(4)		} See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Qualified rehabilitation expenditures related to rental real estate activities	13b		
	c Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities	13c		
	d Credits related to other rental activities	13d		
	14 Other credits	14		

For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 1996

KFA

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
SELF-EMPLOYMENT	15a	Net earnings (loss) from self-employment	-68	Sch. SE, Section A or B
	15b	Gross farming or fishing income		See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	15c	Gross nonfarm income		
ADDITIONAL ITEMS	16a	Depreciation adjustment on property placed in service after 1986		See pages 8 and 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	16b	Adjusted gain or loss		
	16c	Depletion (other than oil and gas)		
	d(1)	(1) Gross income from oil, gas, and geothermal properties		
	d(2)	(2) Deductions allocable to oil, gas, and geothermal properties		
	16e	Other adjustments and tax preference items		
FOREIGN TAXES	17a	Type of income ▶		Form 1116, check boxes
	17b	Name of foreign country or U.S. possession ▶		Form 1116, Part I
	17c	Total gross income from sources outside the U.S.		
	17d	Total applicable deductions and losses (attach sch.)		Form 1116, Part II
	17e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		
	17f	Reduction in taxes available for credit (att. schedule)		Form 1116, Part III
	17g	Other foreign tax information (attach schedule)		See Instructions for Form 1116.
OTHER	18	Section 59(e)(2) expenditures: a Type ▶		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	18b	b Amount.		
	19	Tax-exempt interest income		Form 1040, line 8b
	20	Other tax-exempt income		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses		
	22	Distributions of money (cash and marketable securities)		
	23	Distributions of property other than money		
		24	Recapture of low-income housing credit:	
24a	a From section 42(j)(5) partnerships			
24b	b Other than on line 24a			

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

PARTNER 3: JULIE SNYDER

ENTERTAIN US

STATEMENT 1
FORM 1065, LINE 20
OTHER DEDUCTIONS

BANK CHARGES	\$	103
DUES AND SUBSCRIPTIONS		100
TOTAL	\$	<u>203</u>
		=====

1996

Partnership Return of Income

565

	MONTH	DAY	YEAR		MONTH	DAY	YEAR
For taxable or income year beginning	01	01	1996	, and ending	12	31	96
A Principal business activity name (same as federal)	COMPUTER			Partnership name (place label within block or type or print)	ENTERTAIN US		
B Principal product or service (same as federal)	CONSULTING			Check box if name changed	<input type="checkbox"/>		
C Principal business code (same as federal)	8999			DBA			
D FEIN				Date business started	9/26/96		
E Enter total assets at end of year. See instructions.				Number and street (or P.O. Box number if mail is not delivered to street address)	11054 VENTURA BLVD. #203		
F Enter total assets at end of year. See instructions.				City or town, state and ZIP code	STUDIO CITY, CA 91604		
G Check accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (attach explanation)				Secretary of State file no. (10 digit)	0000000		
H Secretary of State file no. (10 digit)				Check applicable box:	(1) <input checked="" type="checkbox"/> Initial return (2) <input checked="" type="checkbox"/> Final return (3) <input type="checkbox"/> Amended return		

J Enter the number of Schedule K-1s. Be sure to attach one for each person who was a partner at any time during the taxable year.	3	S Did ownership control of this partnership or any of its subsidiaries or affiliates change this taxable year? (Do not leave blank.)	<input checked="" type="checkbox"/>
K Is any member of the partnership related by blood or marriage to any other member?	<input checked="" type="checkbox"/>	T Is this partnership a limited partnership?	<input checked="" type="checkbox"/>
L Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member?	<input checked="" type="checkbox"/>	U (1) Is this partnership a limited partnership that does business in California, is registered with the SOS or organized in California?	<input checked="" type="checkbox"/>
M Are any partners in this partnership also partnerships/LLCs?	<input checked="" type="checkbox"/>	(2) Is this partnership a REMIC?	<input checked="" type="checkbox"/>
N Does the partnership meet all the requirements shown in the instructions for Question N?	<input checked="" type="checkbox"/>	(3) Is this partnership an LLP?	<input checked="" type="checkbox"/>
O Is this partnership a partner in another partnership or LLC? If yes, attach a statement with the names and FEINs of each entity.	<input checked="" type="checkbox"/>	If yes on any of the above, see instructions and line 23 below	
P Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the taxable year? If "yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754.	<input checked="" type="checkbox"/>	V (1) Does the partnership have any foreign partners?	<input checked="" type="checkbox"/>
Q Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)?	<input checked="" type="checkbox"/>	(2) Does the partnership have any nonresident partners?	<input checked="" type="checkbox"/>
R Is this partnership under audit by the IRS or has it been audited in a prior year?	<input checked="" type="checkbox"/>	(3) Were Form 592, Form 592-A and Form 592-B filed for these partners?	<input checked="" type="checkbox"/>
		W Is this an investment partnership? (See instructions)	<input checked="" type="checkbox"/>
		X Enter the ordinary income (loss) shown on federal Form 1065 for the same calendar or fiscal year (taxable year). Explain in a separate schedule any differences between federal ordinary income (loss) and the amount shown on line 22.	\$ -203
		Y Is partnership <input type="checkbox"/> apportioning or <input checked="" type="checkbox"/> not apportioning income to CA?	

Caution: Include **only** trade or business income and expenses on line 1a through line 21 below. See the instructions for more information.

	1 a	1b	Balance	1c
INCOME	Gross receipts/sales	Less returns & allowances		
2	Cost of goods sold (Schedule A, line 8)			2
3	Gross profit. Subtract line 2 from line 1c			3
4	Ordinary income (loss) from other partnerships and fiduciaries. Attach schedule.			4
5	Net farm profit (loss). Attach federal Schedule F (Form 1040)			5
6	Net gain (loss) from Schedule D-1, Part II, line 18			6
7	Other income (loss). Attach schedule.			7
8	TOTAL income (loss). Combine line 3 through line 7.			8
DEDUCTIONS	Salaries and wages (other than to partners)			9
10	Guaranteed payments to partners			10
11	Repairs			11
12	Bad debts			12
13	Rent			13
14	Taxes			14
15	Deductible interest expense not claimed elsewhere on return.			15
16 a	Depreciation and amortization. Attach form FTB 3885P			16c
b	Less depreciation reported on Schedule A and elsewhere on return		Balance	
17	Depletion. Do not deduct oil and gas depletion.			17
18	Retirement plans, etc.			18
19	Employee benefit programs			19
20	Other deductions. Attach schedule	SEE STATEMENT 1.		20
21	TOTAL deductions. Add line 9 through line 20			21
22	Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8.			22
23	Tax - \$800.00 (limited partnerships, LLPs and REMICs only). Make check payable to FTB			23

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1		
2	Purchases less cost of items withdrawn for personal use	2		
3	Cost of labor	3		
4	Additional IRC Section 263A costs. Attach schedule	4		
5	Other costs. Attach schedule	5		
6	Total. Add line 1 through line 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Side 1, line 2	8		

9 a Check all methods used for valuing closing inventory:

• (1) ☐ Cost (2) ☐ Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) ☐ Writedown of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4) ☐ Other. Specify method used and attach explanation _____

b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970 ☐

c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No

d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "yes," attach explanation ☐ Yes ☐ No

Schedule L Balance Sheets. See the instructions for Question N before completing Schedules L, M-1 and M-2.

Assets	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
1 Cash				197
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule				•
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				•
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	•
10 a Depletable assets				
b Less accumulated depletion	()		()	
11 Land (net of any amortization)				•
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
13 Other assets. Attach schedule				•
14 Total assets				197
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				•
19 Mortgages, notes, bonds payable in 1 year or more				•
20 Other liabilities. Attach schedule				•
21 Partners' capital accounts				• 197
22 Total liabilities and capital				197

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of general partner	Date	Telephone	
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN/FEIN
	Firm's name (or yours, if self-employed) and address		FEIN	
			Telephone	

DAVID P. THELIN
WISEMAN & BURKE, INC.
206 S. BRAND BLVD.
GLENDALE, CA 91204
(818) 247-1007

Schedule K Partners' Shares of Income, Deductions, Credits, Etc.

		(a) Distributive share items			(b) Total amount using California law		
Income (Loss)	1	Ordinary income (loss) from trade or business activities (Side 1, line 22)			1	-203	
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825			2		
	3	a	Gross income from other rental activities	3a			
		b	Less expenses. Attach schedule	3b			
		c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c			
	4	Portfolio income (loss). See instructions:					
		a	Interest income	4a			
		b	Dividend income	4b			
		c	Royalty income	4c			
		d	Net capital gain (loss) (Schedule D (565))	4d			
Deductions	5	Guaranteed payments to partners			5		
	6	Net gain (loss) under IRC Section 1231 (other than due to casualty or theft). Attach Schedule D-1.			6		
	7	Other income (loss). Attach schedule			7		
	8	a	Charitable contributions. See instructions. Attach schedule	8a			
Investment Interest		b	Political contributions	8b			
	9	Expense deduction for recovery property (R&TC Sections 17252.5, 17265, 17266 and 17268 and IRC Section 179). Attach schedule or worksheet for 179 deductions			9		
	10	Deductions related to portfolio income (do not include investment interest expense)			10		
Credits	11	Other deductions. Attach schedule			11		
	12	a	Interest expense on investment debts	12a			
		b	(1) Investment income included on line 4a through line 4e above.	12b(1)			
		(2)	Investment expenses included on line 10 above	12b(2)			
Adjustments and Tax Preference Items	13	a	(1) Withholding on partnership allocated to all partners.	13a(1)			
		b	Low-income housing credit	13b			
		c	Credit(s) other than the credit shown on line 13b related to rental real estate activities. Attach schedule	13c			
		d	Credit(s) related to other rental activities. See instructions. Attach schedule.	13d			
Other	14	Other credits. See instructions. Attach schedule.			14		
	15	a	Depreciation adjustment on property placed in service after 1986	15a			
		b	Adjusted gain or loss	15b			
		c	Depletion (other than oil and gas).	15c			
		d	(1) Gross income from oil, gas and geothermal properties	15d(1)			
		(2)	Deductions allocable to oil, gas and geothermal properties	15d(2)			
Analysis	16	a	Total expenditures to which IRC Section 59(e) election may apply. Attach schedule	16a			
		b	Type of expenditures	16b			
	17	Tax-exempt interest income			17		
	18	Other tax-exempt income			18		
	19	Nondeductible expenses.			19		
	20	Distributions of money (cash and marketable securities)			20		
	21	Distribution of property other than money			21		
	22	Other items and amounts reported separately to partners. See instructions. Attach schedule			22		
Analysis	23	a	Total distributive income/payment items. Combine line 1 through line 7 above. From the result subtract the sum of line 8 through line 12a and line 16a	23	-203		
		b	Analysis by type of partner:				
		(a) Corporate	(b) Individual		(c) Partnership	(d) Exempt Organization	(e) Nominee/Other
			i. Active	ii. Passive			
(1) General partners			-203				
(2) Limited partners							

Schedule M-1 Reconciliation of Income per Books With Income per Return. Use Total amount using California law.

1	Net income (loss) per books.	-203	6	Income recorded on books this year not included on Schedule K, line 1 through line 7. Itemize: a Tax-exempt interest \$	
2	Income included on Schedule K, line 1 through line 7, not recorded on books this year. Itemize:				
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, line 1 through line 12a and line 16a, not charged against book income this year. Itemize: a Depreciation \$	
4	Expenses recorded on books this year not included on Schedule K, line 1 through line 12a and line 16a. Itemize: a Depreciation \$				
	b Travel and entertainment \$		8	Total of line 6 and line 7.	
	c Limited partnership tax \$		9	Income (loss) (Schedule K, line 23a). Subtract line 8 from line 5	-203
5	Total of line 1 through line 4.	-203			

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year	0	6	Distributions: a Cash.	
2	Capital contributed during year	400		b Property	
3	Net income (loss) per books.	-203	7	Other decreases. Itemize:	
4	Other increases. Itemize:				
			8	Total of line 6 and line 7.	
5	Total of line 1 through line 4.	197	9	Balance at end of year. Subtract line 8 from line 5. ...	197

LSC

YEAR

1996

Partner's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

K-1 (565)

For taxable or income year beginning MONTH DAY YEAR , and ending MONTH DAY YEAR
01 01 1996 12 31 96

Partner's identifying number [REDACTED] Partnership's FEIN [REDACTED]

Partner's name, address, state and ZIP code Secretary of State file number 0000000

KATHY GOLD
11054 VENTURA BLVD. #203
STUDIO CITY, CA 91604
ENTERTAIN US
11054 VENTURA BLVD. #203
STUDIO CITY, CA 91604

A Is this partner a: (1) ☒ general partner; or (2) ☐ limited partner?

B Partner's share of liabilities:

Nonrecourse \$

Qualified nonrecourse financing \$

Other \$

C What type of entity is this partner? •

(1) ☒ Individual (4) ☐ Corporation (7) ☐ LLP

(2) ☐ S Corporation (5) ☐ General Partnership (8) ☐ IRA/Keogh/SEP

(3) ☐ Estate/Trust (6) ☐ LLC (9) ☐ Limited Partnership

D Check here if this partnership is a publicly traded partnership as defined in IRC Section 469(k)(2). ☐

E Enter partner's percentage (without regard to special allocations) of:

Profit sharing 33.34% • 33.34%

Loss sharing 33.34% • 33.34%

Ownership of capital 33.34% • 33.34%

F Tax shelter registration number

G Check here if this is: •

(1) ☒ a final Schedule K-1 (565) (2) ☐ an amended Sch. K-1 (565)

H Is this partner a foreign partner? ☐ Yes ☒ No

I Is this partner a nonresident of California? ☐ Yes • ☒ No

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4 and line 7 Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine column (a) through column (d))
0	400	-67	()	333

Caution: Refer to Partner's Instructions for federal Schedule K-1 (1065) before entering information from this schedule on your tax return.

	(a) Distributive share item	(b) Amount from federal Sch. K-1 (1065)	(c) Adjustments	(d) Total amounts using CA law (Combine column (b) and Column (c))	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities . . .	-67		• -67	▶
	2 Net income (loss) from rental real estate activities			•	▶
	3 Net income (loss) from other rental activities				
	4 Portfolio income (loss):				
	a Interest			•	▶
	b Dividends			•	▶
	c Royalties			•	▶
	d Net capital gain (loss)			•	▶
	e Other portfolio income (loss) Attach schedule			•	▶
	5 Guaranteed payments to partners.			•	▶
Deduction	6 Net gain (loss) under IRC Section 1231 (other than due to casualty or theft)			•	▶
	7 Other income (loss). Attach schedule			•	▶
	8 a Charitable contributions				
	b Political contributions				
	9 Expense deduction for recovery property (R&TC Sections 17252.5, 17265 and 17266, 17268 and IRC Section 179). Attach schedule				
	10 Deductions related to portfolio income. Attach schedule				
	11 Other deductions. Attach schedule.				

LSC

YEAR

1996

Partner's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

K-1 (565)

For taxable or income year beginning MONTH DAY YEAR , and ending MONTH DAY YEAR
01 01 1996 12 31 96

Partner's identifying number

Partnership's FEIN

Partner's name, address, state and ZIP code

Secretary of State file number 0000000

Partnership's name, address, state and ZIP code

ENTERTAIN US

11054 VENTURA BLVD. #203

STUDIO CITY, CA 91604

JAMES HIGHTOWER

11054 VENTURA BLVD. #203

STUDIO CITY, CA 91604

A Is this partner a: (1) ☒ general partner; or (2) ☐ limited partner?

B Partner's share of liabilities:

Nonrecourse.....\$

Qualified nonrecourse financing.....\$

Other.....\$

C What type of entity is this partner? •

(1) ☒ Individual (4) ☐ Corporation (7) ☐ LLP(2) ☐ S Corporation (5) ☐ General Partnership (8) ☐ IRA/Keogh/SEP(3) ☐ Estate/Trust (6) ☐ LLC (9) ☐ Limited PartnershipD Check here if this partnership is a publicly traded partnership as defined in IRC Section 469(k)(2). ☐

E Enter partner's percentage (without regard to special allocations) of:

(i) Before decrease or termination

(ii) End of year

Profit sharing..... 33.33% • 33.33%

Loss sharing..... 33.33% • 33.33%

Ownership of capital..... 33.33% • 33.33%

F Tax shelter registration number

G Check here if this is: •

(1) ☒ a final Schedule K-1 (565) (2) ☐ an amended Sch. K-1 (565)H Is this partner a foreign partner? • ☐ Yes ☒ NoI Is this partner a nonresident of California?..... ▶ ☐ Yes • ☒ No

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4 and line 7 Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine column (a) through column (d))
0		-68	()	-68

Caution: Refer to Partner's Instructions for federal Schedule K-1 (1065) before entering information from this schedule on your tax return.

	(a) Distributive share item	(b) Amount from federal Sch. K-1 (1065)	(c) Adjustments	(d) Total amounts using CA law (Combine column (b) and Column (c))	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities...	-68		• -68	▶
	2 Net income (loss) from rental real estate activities.....			•	▶
	3 Net income (loss) from other rental activities.....				
	4 Portfolio income (loss):				
	a Interest.....			•	▶
	b Dividends.....			•	▶
	c Royalties.....			•	▶
	d Net capital gain (loss).....			•	▶
	e Other portfolio income (loss) Attach schedule.....			•	▶
	5 Guaranteed payments to partners.....			•	▶
Deduction	6 Net gain (loss) under IRC Section 1231 (other than due to casualty or theft).....			•	▶
	7 Other income (loss). Attach schedule.....			•	▶
	8 a Charitable contributions.....				
	b Political contributions.....				
	9 Expense deduction for recovery property (R&TC Sections 17252.5, 17265 and 17266, 17268 and IRC Section 179). Attach schedule.....				
	10 Deductions related to portfolio income. Attach schedule.....				
	11 Other deductions. Attach schedule.....				

PARTNER 2

PAGE 2 NOT APPLICABLE

Schedule K-1 (565) 1996 Side 1

LSC

YEAR

1996

Partner's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

K-1 (565)

For taxable or income year beginning MONTH DAY YEAR , and ending MONTH DAY YEAR
01 01 1996 12 31 96

Partner's identifying number

Partnership's FEIN

Partner's name, address, state and ZIP code

Secretary of State file number 0000000

Partnership's name, address, state and ZIP code

ENTERTAIN US

11054 VENTURA BLVD. #203

STUDIO CITY, CA 91604

JULIE SNYDER
11054 VENTURA BLVD. #203
STUDIO CITY, CA 91604

A Is this partner a: (1) ☒ general partner; or (2) ☐ limited partner?

B Partner's share of liabilities:

Nonrecourse \$

Qualified nonrecourse financing \$

Other \$

C What type of entity is this partner? •

(1) ☒ Individual (4) ☐ Corporation (7) ☐ LLP(2) ☐ S Corporation (5) ☐ General Partnership (8) ☐ IRA/Keogh/SEP(3) ☐ Estate/Trust (6) ☐ LLC (9) ☐ Limited PartnershipD Check here if this partnership is a publicly traded partnership as defined in IRC Section 469(k)(2). ☐

E Enter partner's percentage (without regard to special allocations) of:

(i) Before decrease or termination

(ii) End of year

Profit sharing 33.33% • 33.33%

Loss sharing 33.33% • 33.33%

Ownership of capital 33.33% • 33.33%

F Tax shelter registration number

G Check here if this is: •

(1) ☒ a final Schedule K-1 (565) (2) ☐ an amended Sch. K-1 (565)H Is this partner a foreign partner? • ☐ Yes ☒ NoI Is this partner a nonresident of California? ► ☐ Yes • ☒ No

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4 and line 7 Form 565, Schedule M-2	(d) With draws and distributions	(e) Capital account at end of year (combine column (a) through column (d))
0		-68	()	-68

Caution: Refer to Partner's Instructions for federal Schedule K-1 (1065) before entering information from this schedule on your tax return.

	(a) Distributive share item	(b) Amount from federal Sch. K-1 (1065)	(c) Adjustments	(d) Total amounts using CA law (Combine column (b) and Column (c))	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities . . .	-68		• -68	►
	2 Net income (loss) from rental real estate activities			•	►
	3 Net income (loss) from other rental activities				
	4 Portfolio income (loss):				
	a Interest			•	►
	b Dividends			•	►
	c Royalties			•	►
	d Net capital gain (loss)			•	►
	e Other portfolio income (loss) Attach schedule			•	►
	5 Guaranteed payments to partners.			•	►
Deduction	6 Net gain (loss) under IRC Section 1231 (other than due to casualty or theft)			•	►
	7 Other income (loss). Attach schedule			•	►
	8 a Charitable contributions				
	b Political contributions				
	9 Expense deduction for recovery property (R&TC Sections 17252.5, 17265 and 17266, 17268 and IRC Section 179). Attach schedule				
	10 Deductions related to portfolio income. Attach schedule				
	11 Other deductions. Attach schedule.				

PARTNER 3

PAGE 2 NOT APPLICABLE

Schedule K-1 (565) 1996 Side 1

ENTERTAIN US

STATEMENT 1
FORM 565, LINE 20
OTHER DEDUCTIONS

BANK CHARGES	\$	103
DUES AND SUBSCRIPTIONS		100
TOTAL	\$	<u>203</u>
		=====

STATE OF CALIFORNIA
FRANCHISE TAX BOARD

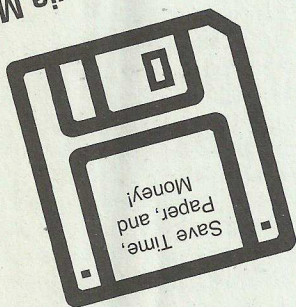


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This booklet contains:
Form 565, Partnership Return of Income
FTB 3885P, Depreciation and Amortization
FTB 3538, Payment Voucher for Automatic Extension for Limited
Partnerships, LLPs, and REMICs
Schedule D (565), Capital Gain or Loss
Schedule K-1 (565), Partner's Share of Income, Deductions,
Credits, etc.

California
Forms & Instructions
565

2002
Partnership Tax Booklet

Members of the Franchise Tax Board
Kathleen Connell, Chair
John Chiang, Member
B. Timothy Gage, Member

California

Forms & Instructions

565

2002

Partnership Tax Booklet

This booklet contains:

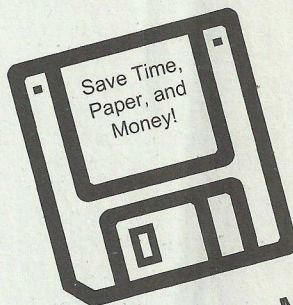
Form 565, Partnership Return of Income

FTB 3885P, Depreciation and Amortization

FTB 3538, Payment Voucher for Automatic Extension for Limited Partnerships, LLPs, and REMICs

Schedule D (565), Capital Gain or Loss

Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc.



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STATE OF CALIFORNIA
FRANCHISE TAX BOARD

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Automated Toll-Free Phone Service

Call the FTB automated toll-free phone service to order tax forms and publications. The automated toll-free phone service is available 24 hours a day, seven days a week, in English or Spanish to callers with touch tone telephones.

Call from within the United States (800) 338-0505
Call from outside the United States (916) 845-6600
(not toll-free)

General Toll-Free Phone Service

Our general toll-free phone service is available:

Monday - Friday, 7 a. m. until 8 p. m.
Saturdays, 8 a. m. until 5 p. m. (January through June only)

We may modify these hours without notice to meet operational needs.

From within the United States (800) 852-5711
From outside the United States (916) 845-6500
(not toll-free)

For federal tax questions

Call the IRS at (800) 829-1040

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We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD (800) 822-6268

Asistencia bilingüe en español

Nuestro servicio telefónico gratuito esta disponible de lunes a viernes de 7 a.m. a 8 p.m., y los sábados de 8 a.m. a 5 p.m. de enero a junio. Podemos modificar este horario sin aviso previo de acuerdo a la demanda operativa.

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Fuera de los Estados Unidos llame al: (916) 845-6500 (cargos aplican)

Pagina Electrónica:
www.ftb.ca.gov

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Letters

If you write to us, be sure your letter includes your federal employer identification number (FEIN), SOS number, your daytime and evening telephone numbers, and a copy of the notice. Send your letter to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0640

We will respond to your letter within six weeks. In some cases, we may need to call you for additional information. Please do not attach your letter to your California return.

Where to Get Tax Forms and Publications

By Internet – You can download, view, and print California tax forms and publications from our Website at www.ftb.ca.gov

Our Joint Agency Website offers California business tax information and forms for BOE, EDD, FTB and IRS at www.ca.taxes.gov.

You can also download, view, and print federal forms and publications from the IRS Website at www.irs.gov.

By phone – Call our automated toll-free phone number, listed above, and follow the recorded instructions.

By mail – Please allow two weeks to receive your order. If you live outside California, please allow three weeks to receive your order. Write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

In person – Free California tax booklets are provided at many libraries, post offices, and banks during the filing season. Most libraries and some quick print businesses have forms and schedules to photocopy (a nominal fee may apply).

Note: Employees at libraries, post offices, banks, and quick print businesses cannot provide tax information or assistance.

Your Rights As A Taxpayer

Our goal at the Franchise Tax Board is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB Pub. 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program, and how you can request written advice from the Franchise Tax Board on whether a particular transaction is taxable. See "Where to Get Income Tax Forms and Publications," on this page for how to get FTB Pub. 4058.



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